



GMPF - EXECUTIVE DECISION NOTICE

SUBJECT MATTER:	UK BALANCED FUND
DECISION:	DETERMINED that as part of the 0-3% allocation to UK Indirect Property Funds allocation approved by Panel on 19 March 2021, to approve an increased commitment of c. £50 million to an existing UK balanced fund over a 6 month period from the date of this decision.
DECISION TAKER(S):	Sandra Stewart
DESIGNATION OF DECISION TAKER (S):	Director of Pensions
DATE OF DECISION:	12 April 2021
REASON FOR DECISION:	<p>An allocation of 2-5% of Fund assets to be invested in UK Property Diversified Balanced Funds was ratified by Panel on 19 March 2021.</p> <p>As part of this current allocation, GMPF currently has a commitment to this large UK Balanced Fund.</p> <p>The fund is considered to comprise of a strong and defensive portfolio which has provided long term resilient performance in line with the strategic benchmark and aspirations for the portfolio and allocation.</p> <p>Past performance of the Fund has been strong and for the quarter end 30 December 2020, the Fund had outperformed the benchmark over 1 year, 3 years p.a., 5 years p.a. and 10 years p.a.</p> <p>An immediate opportunity exists to acquire c. £25 million of units within the Fund through the secondary market at -1.5% discount to NAV. As the fund is a preferred fund with officers, approval is sought for up to an additional £25 million (£50 million in total) to be acquired over a six month period at a discount of no less than 1% to the prevailing NAV.</p> <p>The proposed investment is in line with the suggested deployment route which obtained approval at GMPF Management Panel in March 2021.</p> <p>The core attraction for this acquisition is to gain additional exposure to a preferred UK fund of which the internal team has conducted significant due diligence and rate both the management/governance structure and the portfolio.</p> <p>Furthermore, an acquisition of a fund commitment through a secondary trade provides additional UK property without the usual high transaction costs.</p> <p>Officers have concluded a fee negotiation with the manager to a satisfactory conclusion.</p>
ALTERNATIVE OPTIONS REJECTED (if any):	GMPF's in-house property team appraises investment opportunities against a deep opportunity set, and screens opportunities on a regular basis, through market research, approaches from managers as well as peer recommendations. The property team has researched UK real estate markets and has met various managers, who have differing strategies and geographic focus.

CONSULTEES:	GMPF's in-house property team has a deep relationship with the existing manager.
FINANCIAL IMPLICATIONS:	The commitment will be made from GMPF's allocation to UK Indirect Property Funds. All allocations will continue to be within agreed thresholds.
LEGAL IMPLICATIONS:	GMPF's internal legal team has reviewed the transfer and fund documentation and is in agreement to it.
CONFLICT OF INTEREST:	None
DISPENSATION GRANTED BY STANDARDS COMMITTEE ATTACHED:	N/A
ACCESS TO INFORMATION:	Not for Publication: This report contains exempt information relating to paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended). On balance, under paragraph 10 of Part 2 of Schedule 12A, it would not be in the public interest to disclose this information to the public because disclosure would, or would likely to, prejudice the commercial interests of the Fund and/or its agents which, in turn, could impact upon the interest of the local taxpayer and/or the beneficiaries of the Fund.
REFERENCE DOCUMENTS:	<p>Appendix 1 - Investment Committee Report</p> <p>Appendix 2 - Investment Score Rating</p> <p>Appendix 3 – Property Portfolio Effect</p> <p>Further background papers relating to this report can be inspected by contacting: Kevin Etchells, Senior Investment Manager</p> <p> Telephone: 0161 301 7164</p> <p> E-mail: kevin.etchells@tameside.gov.uk</p>



Signed Dated: 12 April 2021
Sandra Stewart, Director of Pensions